



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

September 14, 2006

To: Audit Committee

From: J. Tyler McCauley *JTM*
Auditor-Controller

Subject: **Review of Native American Indian Commission**

Pursuant to your request, we reviewed the Los Angeles City-County Native American Indian Commission's (Commission) operating budget and the Commission's concerns as stated by their Executive Assistant. Their initial concerns were about not receiving an accounting for their budget as they requested; the administrative charges by their host department, Community and Senior Services (CSS); and the allocation of an annual contribution by the City of Los Angeles. Additionally, the Executive Assistant restated his belief that the County is responsible for paying his salary and employee benefits according to the Ordinance establishing the Commission. Ultimately, the real issue relates to funding levels.

We compared current and all available past Commission budgets, related documents, agreements with the State and City of Los Angeles, and other correspondence. We also interviewed the Executive Assistant of the Commission, the Office of Affirmative Action Compliance (OAAC) Administrative Deputy, and the CSS Assistant Director, Administrative Services. In addition, we spoke with the CAO Analyst assigned to the CSS budget, various County Counsel staff, and the State of California Department of Community Services and Development representative.

Background

Effective July 1, 1998, the Commission was transferred from the OAAC to CSS because the Commission was largely funded through a Community Services American Indian Block Grant (CSAIBG) received by CSS. According to CSS and OAAC staff, a budget covering January 1, 1998 through June 30, 1998, was prepared by OAAC staff in late 1997. CSS staff believe that the budget was left substantially as prepared by OAAC staff for Fiscal Year 1998-1999 because the timing of the transfer left insufficient time to learn the new program and make modifications. OAAC staff also stated they transferred all administrative records relating to the Commission to CSS. However, we were unable to locate any Commission budget records prior to FY 1998-99.

The Commission believes that prior to the transfer they had full use of the City of Los Angeles contribution for program enhancements. We were unable to document this because as noted there are no historical budget records prior to FY 1998-99 to compare. The OAAC Administrative Deputy confirms that they did not charge the Commission any overhead or indirect costs in an effort to support Commission activities and consequently absorbed those costs. When the Commission was transferred back to CSS, the overhead and indirect costs were applied. The FY 1998-99 budget reflects a larger portion of the City of Los Angeles contribution being used for services and supplies than the current budget. Nonetheless, 23% of the City of Los Angeles contribution was used to partially offset Salaries and Employee Benefits. Although we were unable to find formal detailed budgets for the Commission prior to Fiscal Year 1998-99, we were able to extrapolate a non detailed budget for Calendar Year 1997 from other documents and billing claims, and data provided by the OAAC. Attachment I reflects a summary of the Commission's budget for Calendar Year 1997, the last full year it was prepared by OAAC; and Calendar Year 2005, which was prepared by CSS and is the most recent year for which we have the actual expenditure amounts.

Irrespective of the differences of opinion regarding the allocation of the City of Los Angeles contribution, the Executive Assistant and the Commission believe that the Ordinance establishing the Commission indicates that the County is required to pay for the Executive Assistant's salary and employee benefits. Although current County Counsel staff state that this interpretation of the Ordinance is in error, the Executive Assistant and the Commission indicated that they were told differently by previous County Counsel staff. We were unable to confirm a County Counsel position supporting the Commission's interpretation and the Executive Assistant was unable to provide any supporting documentation regarding his funding interpretation.

Unless there is an increase in revenue, the issue of who pays the Executive Assistant's salary is largely irrelevant. If the entire Net County Cost amount was applied to the Executive Assistant's salary, there would be a short fall of approximately \$19,583. However, it would be necessary to shift a bigger portion of the City of Los Angeles contribution from salaries and employee benefits to other expenditures and the bottom line would remain the same. When the Commission was hosted by OAAC, the Executive Assistant's salary and employee benefits were substantially covered by the County contribution (Net County Cost). However, his salary and employee benefits have increased and now cannot be covered solely within the grants permitted administrative charges and the entire City of Los Angeles contribution. Employee Benefit rates have risen substantially for all classes of employees, thereby affecting overhead and indirect costs. The cost of other indirect costs, such as building maintenance, security, utilities, and rent/space have also risen significantly. Another factor is that as programs are transferred from CSS it reduces the Department's ability to spread indirect costs to its various programs. Accordingly all programs, including the Commission, receive a greater amount of overhead cost allocations. The end result is that the contribution from the City of Los Angeles must be used for operating expenditures to avoid the program operating at a deficit. Attachment II reflects a comparison of the revenue received by

the Commission and the percentage it represents of the expenditures for Calendar Years 1998 and 2005.

Effective for Fiscal Year 2005-06 and ongoing, the CAO authorized a Net County Cost increase of \$12,000 for negotiated salary and employee benefit increases to the Executive Assistant's position and that of a Student Professional Worker that became effective since the transfer of the Commission to CSS.

Commission Operating Budget

Attachment III is a budget summary that details the Commission's operating budget for Calendar Year 2005. Commission expenditures are \$464,908. It receives \$384,682 in revenue, including the disputed \$50,000 from the City of Los Angeles, and a Net County Cost contribution of \$80,226. The Executive Assistant indicates the direct costs accurately reflect Commission expenditures. However, he questions the application of overhead charges to the Commission's budget. The indirect cost rate of 8.28% had previously been approved by the Auditor-Controller, and it appears to be correctly applied to all CSS programs. As previously noted, employee benefit rates and other Countywide indirect costs have increased significantly for all departments since the Commission was transferred to CSS. The increased costs also account for increased charges to external revenue sources thus making direct comparisons misleading.

The Commission states that it is unable to conduct and complete its work as outlined in the Ordinance due to lack of funding resources. The work reportedly not being completed includes studies, hearings, field meetings, training, printing brochures and posters, hosting community events, and any pertinent research. According to the Commission, they cannot use grant funds for research or program activities unless those activities relate specifically to the grant program. The Executive Assistant believes he is prohibited from lobbying for additional funding, and therefore the only way to increase funding resources is to increase the Net County Cost or reduce expenditures, specifically overhead charges.

Application of Overhead Charges

The purpose of applying overhead charges to all external revenue sources is to capture the true cost to operate a department and its programs and minimize Net County Cost. Often, grants contain language that cap reimbursement of administrative expenditures at a percentage of the overall grant, which usually does not allow for the full reimbursement of costs for operating the program. In this case, the State grant the Commission receives caps reimbursement of administrative expenditures at 12%, which does not cover the cost of the Executive Assistant's salary, any employee benefits, or any other administrative expenditures. There is no cap on reimbursement of administrative expenditures related to the City of Los Angeles contribution because its specific purpose is to help offset the cost of operating the program.

CSS utilizes a multi-stage, multi-step process to determine overhead charges. The two key components are labor expenditures, which are all the general costs incurred to support a program and include human resources, technology, fiscal and general support staff, as well as charges from other departments such as CAO, County Counsel, the Auditor-Controller and ISD. The other key component is contract expenditures, which reflect direct and indirect charges incurred by the Department to administer a contract for a specific grant. Contract expenditures include the amount paid directly to the contractors, County Counsel charges specifically for reviewing and or drafting contracts, and the hourly salary of accounting and fiscal staff for the time spent specifically on that grant contract.

In summary, it is appropriate for CSS to charge the Commission for overhead costs which is in keeping with County policy to capture the full cost of operating a program and minimize Net County Cost. This ensures maximum funding of County operated programs.

Contract Monitoring and Audits

CSS has not consistently monitored this program because of a disagreement with the Executive Assistant regarding their authority to do so. The Executive Assistant believes only the Commission and the Board of Supervisors may monitor or audit its programs. Both County Counsel and the State representative disagree with the Executive Assistant's interpretation. A comprehensive CSS monitoring program could identify potential problems long before they become issues. Since the County is responsible for the reimbursement of any questioned costs, it seems logical and prudent that CSS conduct program monitoring on a regular basis as is done in other grant programs in both CSS and other County departments.

CSS has not conducted an audit of the Commission's activities since it was transferred to the Department. CSS plans to conduct a full audit of the program prior to the end of the Fiscal Year, staffing resources permitting. However, they may explore requesting the Auditor-Controller to conduct the audit if they cannot complete it in a timely manner. Regardless of who conducts the audit, we concur that an audit should be performed as soon as possible.

The granting agency, the State of California Department of Community Services and Development, also has not conducted an audit of the program. They conduct on site field monitoring, usually every three years. If they identify a problem with a program, they request that an audit be conducted by their own internal auditors. Their next scheduled on site field monitoring visit is sometime in 2007.

Conclusion

The application of overhead charges to the Commission's operating budget is in accordance with County policy. And, the attached recent County Counsel opinion

Auditor-Controller
County of Los Angeles

(Attachment IV) states that the City of Los Angeles contribution should only be used for operating and administrative expenses.

The Executive Assistant has stated that the Commission may consider requesting a transfer to another host County department to reduce the amount of assessed overhead charges. However, such a move would not substantially increase the amount of discretionary funds available for program enhancement. Further, the Agreement with the City of Los Angeles requires a reduction in the City's contribution proportionate to its share of the Commission's operating and administrative costs in the event additional funding is obtained from an outside source or the Agreement is terminated prior to the end of the fiscal year. Reducing the overhead charges could therefore reduce the City's contribution to the program. Historically the host department for the Commission has changed from its inception at CSS, to OAAC beginning in 1994-95, and back to CSS commencing in Fiscal Year 1998-99. For the most part, it has been hosted by the department receiving the CSBG grant. Last year the CSBG program was transferred from CSS to DPSS as the result of recommendations in a management audit report on reorganizing CSS to correct structural weaknesses conducted by blueCONSULTING Inc.

We noted internal conflict between the Executive Assistant of the Commission and CSS management and program staff resulting from poorly defined roles and lines of authority. For example, the Commission recently attempted to get County Counsel approval of a Board letter without first seeking approval and concurrence from CSS. Although the Commission states they never had to obtain prior department approval before, the OAAC Administrative Deputy disagrees, indicating department approval was always required while the Commission was hosted by OAAC. This internal conflict may be the result of the Executive Assistant's narrow interpretation of the duties of the Department and the broad authority of the Commission. Whatever the reason, the conflict appears to interfere with productivity and service to the clientele.

Recommendations

The prior CSS administration either did not respond to Commission requests or unintentionally gave erroneous information on budget matters. Although the new administration has attempted to work with the Executive Assistant and the Commission, that relationship seems tenuous and adversarial. To overcome past differences, we recommend the Executive Assistant and CSS fiscal staff meet on a regular basis and work cooperatively to resolve problems noted herein.

The Executive Assistant's interpretation of the Ordinance establishing the Commission is that the host department's role is limited and only the Board of Supervisors or the Commission may monitor or audit programs or contact the State granting agency. This interpretation is incorrect according to County Counsel and is contrary to the operation of other County Boards and Commissions. It is in the best interest of the County, the Commission and the clients served to have roles clearly defined. Therefore, to improve cooperation, we recommend a Memorandum of Understanding between the

Commission and the County of Los Angeles be developed which defines roles and responsibilities.

Concurrent with developing a Memorandum of Understanding, it would be in the interests of all concerned to request a County Counsel opinion on the Executive Assistant's interpretation of the Ordinance establishing the Commission. Such an opinion would assist in determining the roles of CSS and the Commission, and would help eliminate the current conflict. It would also end the ongoing disagreement on whether CSS is responsible for the salary and employee benefits of the Executive Assistant and support staff. Therefore, we recommend CSS request a legal opinion from County Counsel on the duties and responsibilities of the Commission and the host department under the Ordinance establishing the Commission.

The Commission's goal of reducing overhead charges against their grant is to increase discretionary spending in order to enhance programs and hire more staff. Clearly additional revenue could be used to increase services to their client population. The Executive Assistant believes he is precluded from lobbying for more funds from State and federal sources. This is incorrect. According to the State granting agency representative, the prohibition against lobbying pertains to political candidates and causes. The State granting agency encourages commissions to seek additional revenue and in fact notifies them of additional grants and sources of revenue. Therefore, to enhance programs and staffing, we recommend the Commission seek additional funding from federal, State, the City of Los Angeles and other sources for specific program enhancements. Since it is a City-County Commission, it would be appropriate to seek increased funding from the City of Los Angeles to at least the equal level of contribution as the County.

The Commission has stated that it is unable to conduct its work as specified in the Ordinance because it does not have sufficient resources. We noted indications of program under performance which could be a contributing factor in the Commission's inability to conduct its work. Therefore, we will arrange for a program performance audit to be conducted to identify areas for improvement. The audit will provide CSS and County management with an unbiased analysis which can be used as the basis for determining future actions regarding the Commission. It could also be used by the Commission as a vehicle for dialogue with the client community.

Please let me know if you have further questions, or you may contact Jack Skadsem directly at (626) 293-1111.

JTM:JMS

Attachments

c: David E. Janssen, Chief Administrative Officer

Carolyn Echeverria, Chair, Self Governance Board
Duane Champagne, Chair, Native American Indian Commission
Raymond G. Fortner, County Counsel
Cynthia D. Banks, Director, DCSS
Ron Andrade, Executive Assistant, Native American Indian Commission

**Native American Indian Commission
Budget Comparison**

<u>Item Description</u>	<u>OAAC(1) CY 1997</u>	<u>DCSS(2) CY 2005</u>
<u>Expenditures</u>		
Salaries	50,000	86,363
Employee Benefits	<u>17,000</u>	<u>35,965</u>
Subtotal	67,000	122,328
Consultant Services	28,944	23,212
Services & Supplies	6,498	7,624
Equipment	3,324	N/A
Agency Contracts	159,000	263,837
Other Charges		<u>47,907</u>
Total Expenditures	264,766	464,908
<u>Revenue</u>		
CSAIBG Grant	189,451	334,682
City of L A	<u>35,000</u>	<u>50,000</u>
Total Revenue	224,451	384,682
Net County Cost	40,315	80,226

1 Last Calendar Year the budget was prepared by the Office of Affirmative Action Compliance

2 Last completed Calendar Year the budget was prepared by the Department of Community and Senior Services

JMS: 08/14/06

City-County Native American Indian Commission Revenue Comparison				
<u>Entity</u>	<u>CY 1998</u>	<u>% of Expenditures(1)</u>	<u>CY 2005</u>	<u>% of Expenditures(2)</u>
City of Los Angeles	\$35,000	14.06%	\$50,000	10.75%
State of California(3)	\$34,571	13.9%	\$47,633	10.25%
County of Los Angeles(4)	\$59,000	23.7%	\$80,226	17.26%
(1) \$248,853				
(2) \$464,908				
(3) The amount of State Reimbursement for Administrative Costs (capped at 12% of the grant)				
(4) The amount of Net County Cost				

JMS: 08/21/06

Native American Indian Commission
Budget Detail Calendar Year 2005

EXPENDITURES**Salaries****Program**

Executive Director	67,225
Employee Benefits @ 48.47%	32,584

Student Professional Worker	14,272
Employee Benefits@ 7.16%	1,022

Support

Accounting & Contract Staff	4,866
Employee Benefits @ 48.47%	2,359

Consultant	23,212
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Services and Supplies

Building Maintenance (prorated ISD charges)	754
Custodial Services (prorated ISD charges)	1,663
Miscellaneous Expense	1,000
Office Supplies	531
Office of County Security (prorated charges)	160
Auto Mileage (Executive Director)	1,853
Telephone	608
Utilities (prorated ISD charges)	1,055

Agency Contracts	\$263,837
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Other Charges (overhead and indirect costs)

AMS Salaries	23,672
AMS S&S	11,167
AMS ICP Allocation	1,389
ICP	8,652
Pooled Support Costs (Contract & Accounting)	<u>3,027</u>

Total Expenditure	464,908
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Native American Indian Commission
Budget Detail Calendar Year 2005

REVENUE

Program (Agency Contracts and Consultant)	
State Grant	287,049
Administrative	
State Grant	47,633
City of LA contribution	<u>50,000</u>
Total Revenue	\$384,682
Net County Cost	80,226



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

RAYMOND G. FORTNER, JR.
County Counsel

July 10, 2006

TELEPHONE
(213) 974-9704
FACSIMILE
(213) 687-4745
TDD
(213) 633-0901

Cynthia Banks, Director
Department of Community and Senior Services
3175 West Sixth Street, Room 302
Los Angeles, CA 90020

Re: Los Angeles City/County Native American Indian Commission

Dear Ms. Banks:

You have asked our office a question regarding the purpose of the annual monetary contribution from the City of Los Angeles ("City") to the County of Los Angeles ("County") for the Los Angeles City-County Native American Indian Commission ("Commission"). Specifically, can and should the City's contribution be used for administrative costs, rather than to support the Commission's program-related activities?

Response

Relying on the facts detailed in the discussion below and applicable law, we believe the City's contribution can and should be used to offset the Commission's administrative costs. Those costs are as outlined in the "Agreement Regarding Los Angeles City-County Native American Indian Commission" ("Agreement") executed by the City and the County in July, 1980, and subsequently amended in 1988. This Agreement specifically requires that the City's financial contribution be used as "support for the operation" of the Commission.

Discussion

The Commission was created by County Ordinance No. 11409, adopted September 7, 1976. In July 1980, the County and the City entered into Agreement Number 37135 ("Agreement") to provide for the City's participation in the Commission. Pursuant to the Agreement, the City is required to pay the County an annual monetary contribution "as its total share of support for the operation of

Cynthia Banks
July 10, 2006
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the Commission" during each fiscal year. The Agreement was amended in 1988 to increase the amount of the City's monetary contribution.

The language of the Agreement indicates that the City's monetary contribution was intended to offset the County's obligation to provide for the Commission's expenses. The Agreement provides, "[t]he County shall provide all support staff, operating facilities, and meeting rooms for the Commission, and shall pay and be responsible for all operating and administrative expenses incurred by or in connection with the Commission." See Agreement at § 3, as amended. The Agreement further requires a reduction in the City's contribution proportionate to its share of the Commission's "operating and administrative costs" in the event additional funding is obtained from an outside source or the agreement is terminated prior to the end of the fiscal year. See Agreement at § 6. This language indicates that the only appropriate use for the City's contribution is to offset the Commission's operating and administrative costs.

Thus, the language of the Agreement contemplates the use of the contribution as the City's share of the operating and administrative expenses incurred by the Commission. The City's contribution should be used for operating and administrative expenses, such as salaries, facility charges, and administrative support only.

Very truly yours,

RAYMOND G. FORTNER, JR.
County Counsel



By

ANDREW W. OWENS
Assistant County Counsel
Social Services Division

AWO:lb/mj

c: Leela Kapur
Lauren Black
Michele Jackson

37135

1 AGREEMENT REGARDING LOS ANGELES
2 CITY-COUNTY NATIVE AMERICAN INDIAN COMMISSION

3 This Agreement regarding Los Angeles City-County Native American
4 Indian Commission ("Agreement" hereafter) is entered into by and
5 between the County of Los Angeles ("County" hereafter), a body cor-
6 porate and politic, and the City of Los Angeles ("City" hereafter),
7 a municipal corporation, with reference to the following facts:

8 A. On September 7, 1976 the County adopted ordinance No. 11409,
9 effective October 8, 1976, creating a Los Angeles City-County Native
10 American Indian Commission ("Commission" hereafter). A copy of
11 such ordinance is attached hereto, labeled "Appendix A," and is
12 incorporated herein by this reference.

13 B. The County and City previously entered into an agreement
14 which provided for City participation in the Commission for fiscal
15 year 1976-77.

16 C. The County and City now wish to enter into an agreement
17 to provide for continued City participation in the Commission.

18 NOW, therefore, the parties, in mutual consideration of the
19 promises, agreements, and covenants set forth below, hereby promise,
20 agree, and covenant as follows:

21 1. The County shall allow for and continue the existence of
22 the Commission as formed, constituted, and described in its ordinance
23 No. 11409. The City or County, at their option, may terminate this
24 Agreement upon any amendment, modification, or change to said
25 ordinance. Notice of such termination must be in writing and shall
26 be effective upon receipt by either party.

27 2. The County shall provide all support staff, operating
28 facilities, and meeting rooms for the Commission, and shall pay and

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1 be responsible for all operating and administrative expenses incurred
2 by or in connection with the Commission.

3 3. The City shall pay the County the sum of ten thousand
4 dollars (\$10,000.00) annually as its total share of support for the
5 operation of the Commission for each fiscal year. For fiscal year
6 1979-1980, the City shall make such payment within thirty (30) days
7 following the effective date of this Agreement. Thereafter, for
8 each fiscal year, the City shall make such annual payment to the
9 County within thirty (30) days of the first day of said fiscal year.
10 The City shall incur no obligation other than said annual payment.
11 The financial obligation of the City will be reduced to the extent
12 of its proportionate share of the Commission's operating and
13 administrative costs on the basis of any funding for the operation
14 or administration of the Commission which may be obtained from
15 sources other than the County or the City (for example, from the
16 State of California or the United States of America). If this
17 Agreement is terminated for any reason, or the Commission ceases
18 to exist prior to the end of any fiscal year, the financial
19 obligation of the City for said fiscal year shall be reduced to
20 reflect its proportionate share of the Commission's actual operating
21 and administrative costs. Any excess funds from the City's annual
22 payment shall be returned to the City.

23 4. Neither the City nor the County is the other party's
24 agent by virtue of this Agreement.

25 5. The County shall maintain and preserve or require the
26 Commission to maintain and preserve complete financial records of
27 transactions during the term of this Agreement, including, without
28 limitation, records of monies received by source, date, and amount,

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1 and records of expenditures by name of vendor, description of goods
2 or services purchased, date of purchase, and amount. These records
3 shall be subject to examination by authorized City personnel or the
4 City's representatives at any time. Such records shall be maintained
5 and preserved for at least three (3) years after the termination
6 of this Agreement.

7 6. The City's members on the Commission shall be appointed
8 and may be removed by the Mayor of the City, subject in both such
9 appointment and removal to the approval of the City Council by a
10 majority vote. If a vacancy shall occur during the term of office
11 of any such member, such vacancy shall be filled by appointment by
12 the Mayor, subject to approval of the City Council by a majority
13 vote. Persons designated for appointment by the Mayor prior to the
14 effective date of this Agreement and not yet approved by the City
15 Council shall be subject to subsequent approval by the City Council
16 by majority vote.

17 7. The County shall take all reasonable steps to ensure that
18 the Commission does not engage in activities or promote policies
19 which conflict with or duplicate activities or policies of the City.

20 8. This Agreement may be terminated by either party upon
21 thirty (30) days written notice. However, such termination shall
22 be communicated at least sixty (60) days prior to the end of the
23 current fiscal year.

24 9. This Agreement shall be effective upon execution by the
25 authorized representative of each party hereto. The services
26 rendered and actions taken during fiscal year 1979-1980 prior to
27 the effective date of this Agreement are hereby ratified.

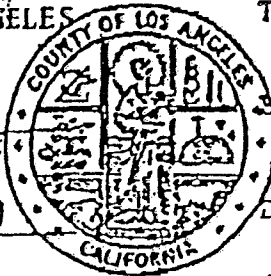
28

1 In witness whereof, the parties have caused this Agreement to
2 be signed below by their authorized representatives:

THE COUNTY OF LOS ANGELES

THE CITY OF LOS ANGELES

3
4
5 By [Signature]
6 Chairman, Board of
Supervisors

By [Signature]
MayorDate: JUL 25 1980Date: JUN 23 1980

APPROVED AS TO FORM:

APPROVED AS TO FORM AND LEGALITY

9
10 JOHN H. LARSON
County Counsel

BURT PINES, City Attorney

By [Signature]By [Signature]GERRY THIES
Deputy City AttorneyDate: July 17, 1980Date: June 10, 1980

ATTEST:

16 JAMES S. MIZE
17 Clerk of the Board of
18 Supervisors

REX E. LAYTON, City Clerk
Attest: Rex E. Layton, City Clerk

By [Signature]
DEPUTYBy [Signature]
DeputyDate: JUL 25 1980Date: June 22, 1980

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

F14

JUL 22 1980

[Signature]
JAMES S. MIZE
EXECUTIVE OFFICER

FIRST AMENDMENT TO THE AGREEMENT REGARDING THE
LOS ANGELES CITY-COUNTY NATIVE AMERICAN COMMISSION

ORIGINAL

This First Amendment is entered into between the City of Los Angeles ("CITY" herein), a municipal corporation, and the County of Los Angeles ("COUNTY" herein), a body corporate and politic, with reference to the following:

WHEREAS, on or about July 25, 1980 the CITY and COUNTY entered into an Agreement (Contract No. 37135) whereby the CITY continued its support of the Los Angeles City-County Native American Commission ("COMMISSION" herein): and

WHEREAS, the CITY and COUNTY desire to amend said Agreement to increase the City's share from Ten Thousand Dollars (\$10,000.00) to Thirty-Five Thousand Dollars (\$35,000.00) for the 1987-88 Fiscal Year and to provide that thereafter the CITY's annual payment to the COUNTY shall be the amount appropriated thereto in the CITY's Budget (General City Purposes Fund) for each subsequent year.

NOW, THEREFORE, the CITY and the COUNTY, in consideration of the above premises and of the covenants, agreements and representations set forth below, hereby covenant, agree and represent as follows:

1. Paragraph 3 is hereby modified in its entirety as follows:

3. The CITY shall pay the COUNTY the sum of Thirty-Five Thousand Dollars (\$35,000.00) as its total share of support for the operation of the COMMISSION for the 1987-88 fiscal year. Thereafter, for each fiscal year, the City shall make such annual payment as appropriated in the City's Budget (General City Purposes Fund) for each such fiscal year. Payment shall be made to the COUNTY within thirty (30) days after receipt of the COUNTY's invoice. The CITY shall incur no obligation other than said payment. The financial obligation of the CITY will be reduced to the extent of its proportionate share of the COMMISSION's operating and administrative costs on the basis of any funding for the operation or administration of the COMMISSION which may be obtained from sources other than the CITY (for example, from the State of California or the United States of America). If this Agreement is terminated for any reason, or the COMMISSION ceases to exist prior to the end of any fiscal year, the financial obligation of the CITY for said fiscal year shall be reduced to reflect its proportionate share of the COMMISSION's actual operating and administrative costs. Any excess funds from the CITY's annual payment shall be returned to the CITY.

ORIGINAL

2. Except as amended by this First Amendment, all other provisions of Contract No. 37135 shall remain in full force and effect.

ORIGINAL

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by their authorized representatives.

THE COUNTY OF LOS ANGELES

By _____
Chairman, Board of
Supervisors

Date: _____

APPROVED AS TO FORM:

County Counsel
By _____

Date: 6/23/88

ATTEST:

Clerk of the Board of
Supervisors

By _____
Deputy

Date: _____

THE CITY OF LOS ANGELES

By Tom Bradley
Mayor

Date: AUG 15 1988

APPROVED AS TO FORM AND LEGALITY:

James K. Hahn
City Attorney

By Thomas J. Theis
Thomas J. Theis
Assistant City Attorney

Date: 8-5-88

ATTEST:

Elias Martinez
City Clerk

By Noullyn Abcamis
Deputy

Date: 8-16-88

